



Washington, D.C. 20505

Inspector General
703-874-2555

IG-2001-681
27 November 2001

The Honorable Bob Graham
Chairman
Select Committee on Intelligence
United States Senate
Washington, D.C. 20510

Dear Mr. Chairman:

(U//~~FOUO~~) I am writing to inform you of our progress on actions recommended in your 9 March 2001 letter to the Director of Central Intelligence, which stemmed from Committee concerns regarding the Deutch case. On 29 June, Deputy Director of Central Intelligence McLaughlin responded to you and included two tasks for my staff. The inspection team tasked with this action met last week with Don Stone, of the Committee Staff, to discuss what had been accomplished to date and to ensure that the course of action would address your concerns.

(U//~~FOUO~~) As the Committee recommended, the DDCI tasked me to update Agency Regulation [] to reflect our expanded reporting responsibilities contained in the Intelligence Authorization Act for Fiscal Year 2001. The new regulation was published in October. It expands the circumstances in which an immediate report to the intelligence oversight committees is required, including 1) when an audit, investigation, or inspection focuses on a current or former Agency official at the deputy director level or above, or 2) when the matter requires a report by the IG to Justice on possible criminal conduct by such an official.

(b)(3)

(U//~~FOUO~~) In response to the Committee's recommendation that the IG review Agency Accountability Board procedures, the DDCI advised you that a new regulation on Agency Accountability Boards [] had been published since your letter and that OIG planned to review the existing Employee Review Panel and Personnel

(b)(3)



The Honorable Bob Graham

Evaluation Board processes. The OIG team found that new regulations on Discipline and Accountability [] and on the Personnel Evaluation Board [] have been drafted and are about to be approved and promulgated. Office of General Counsel has told our inspection team that these regulations are intended to respond to all of the recommendations from the 1996 OIG audit of disciplinary boards.

(b)(3)

(b)(3)

(U//FOUO) After reviewing the new regulations, the team believes that they appear to address the Committee's concerns as well as the audit recommendations. I believe any judgment about the fairness and effectiveness of disciplinary and accountability processes should await some period of implementation experience. We plan to conduct an inspection of the new disciplinary board procedures when the regulations have been in effect for a period sufficient to allow them to be tested and provide cases that would enable us to conduct an evaluation. I estimate that would be at least 18 months from issuance. In the interim, we will advise the Committee when the new regulations are approved.

(U//FOUO) Inspection team members also discussed with Mr. Stone the issuance of a regulation and Agency Notice (AN) mentioned by the DDCI. These are [] on requirements for control of CIA-owned computers outside Agency facilities, and [] on missing or out-of-control Agency classified information or equipment.

(b)(3)

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[] was reissued in October 2000 and is being converted to an Agency regulation. Mr. Stone asked, and we have agreed, to track the issuance of this regulation to ensure that it takes effect before the notice expires.

(b)(3)

(U//FOUO) Mr. Stone also asked us to look into one of the concerns expressed in your letter: the Agency's "authorities for immediately confiscating required materials." In subsequent discussions between the legal counsels of the OIG and the Office of Security (OS), the OS Legal Counsel has informed the OIG that if, in the course of a security investigation, information comes to their attention that Agency equipment has been improperly used,

The Honorable Bob Graham

they can take control of such government property as appropriate.

(U//FOUO) Please let us know if the actions outlined in this letter address the Committee's concerns. An identical letter is being provided to Vice Chairman Shelby.

Sincerely,



(b)(3)

The Honorable Bob Graham

[REDACTED] (23 November 2001)

(b)(3)

FILE:INS Teams/CI Scoping2001/ADMIN/A-SSCI Letter Graham.doc

Distribution:

Original - SSCI Chairman Graham

- 1 - DCI
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[REDACTED] (20 November 2001)

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